

**AMENDMENT NUMBER 3 TO HEALTH PLAN SERVICES CONTRACT
COORDINATED CARE ORGANIZATION
CONTRACT 139073 BETWEEN
THE STATE OF OREGON
OREGON HEALTH AUTHORITY**

AND

**Western Oregon Advanced Health, LLC
750 Central Avenue, Suite 202
Coos Bay, OR 97420**

1. This is amendment number 3 (“Transformation Amendment”) to Health Plan Services Contract, Coordinated Care Organization, Contract # 139073 (the “Contract”), between the State of Oregon, acting by and through its Oregon Health Authority (OHA), and Western Oregon Advanced Health, LLC (Contractor). This Amendment is effective July 1, 2013, regardless of the date of signature, subject to approval by the US Department of Health and Human Services, Centers for Medicare and Medicaid Services.

2. The Contract is hereby amended as follows:

a. Exhibit K, Opening Paragraph, is hereby amended as follows, deleted language is struck through (~~struck through~~) and new language is **bold and underlined**:

Contractor shall prepare a “Transformation Plan” that is a specific plan (plans, timeline, benchmarks, milestones, and deliverables) demonstrating how and when Contractor will achieve Health System Transformation, aligned with the quality and incentive specifications established in Exhibit B Part 9. **The Transformation Plan will include Attachment 1 “Transformation Deliverables and Benchmarks” which is Attached to this Exhibit K and hereby incorporated into this Contract with this reference.** The purpose of this Exhibit K is to set forth the procedure Contractor shall follow to prepare **and implement** the Transformation Plan (**including Attachment 1**) required by this Contract.

b. Exhibit K, Section 1., is hereby amended as follows, deleted language is struck through (~~struck through~~) and new language is **bold and underlined**:

1. Initial Transformation Plan

a. Contractor shall provide the following deliverables, and OHA will respond to these deliverables, on the schedule describe below:

	Deliverable	Deliverable Date
(1)	<u>Draft Plan.</u> Contractor furnishes OHA with a draft of a Transformation Plan.	January 15, 2013
(2)	<u>OHA Comments.</u> OHA furnishes Contractor with written comments on its draft Transformation Plan.	February 1, 2013

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| (3) | <u>Final Draft.</u> Contractor submits final draft language of its Transformation Plan for approval by OHA. | February 15, 2013 |
| (4) | <u>OHA Acceptance.</u> OHA furnishes Contractor with written approval of its draft Transformation Plan. | March 1, 2013 |
| (5) | <u>Amendment Signature. OHA sends approved Transformation Amendment to Contractor for signature.</u> | <u>April 15, 2013</u> |
| (6) | <u>CMS Approval. OHA sends signed Transformation Amendment to CMS for Approval.</u> | <u>May 1, 2013</u> |
| (7) | <u>Effective Date. Transformation Amendment becomes effective.</u> | <u>July 1, 2013</u> |

b. Contractor’s Transformation Plan must include, at minimum:

- (1) Developing and implementing a health care delivery model that integrates mental health and physical health care and addictions and dental health, when dental services are included. This plan must specifically address the needs of individuals with severe and persistent mental illness.
- (2) Continuing implementation and development of Patient-Centered Primary Care Home (PCPCH).
- (3) Implementing consistent ~~alternative payment methodologies~~ **Alternative Payment Methodologies** that align payment with health outcomes.
- (4) Preparing a strategy for developing Contractor’s Community Health Assessment and adopting an annual Community Health Improvement Plan consistent with SB 1580 (2012), Section 13.
- (5) Developing a plan for encouraging ~~electronic health records~~ **Electronic Health Records**; health information exchange; and meaningful use.
- (6) Assuring communications, outreach, Member engagement, and services are tailored to cultural, health literacy, and linguistic needs.
- (7) Assuring that the culturally diverse needs of Members are met (cultural competence training, provider composition reflects Member diversity, non-traditional health care workers composition reflects Member diversity).

- (8) Developing a quality improvement plan focused on eliminating racial, ethnic and linguistic disparities in access, quality of care, experience of care, and outcomes.

Contractor's Transformation Plan may include any other elements that are part of Contractor's strategy for Health System Transformation.

Following review and written approval of the Transformation Plan **and Transformation Amendment**, by OHA, and following any necessary approval by DOJ or CMS, the Transformation Plan **Amendment** is incorporated in this Contract by this reference, and Contractor's obligations under the Transformation **Plan Amendment** are obligations under this Contract.

If Contractor does not have an OHA-approved Transformation Plan by ~~90 days after the Effective Date~~ **the Deliverable Date identified in Subsection 1.a.**, Contractor shall continue to negotiate with OHA regarding the Transformation Plan. Contractor's failure to have an OHA-approved Transformation Plan by 120 days after the ~~Effective Date~~ **final Deliverable Date identified in Subsection 1.a.** is a material breach of this Contract under Exhibit D, Section 10.a(3) of this Contract.

- c. Exhibit K, is hereby amended to add a new Section 5., as follows:

5. Periodic Update of Transformation Plan

Contractor shall periodically update the Transformation Plan and the Transformation Amendment to continue strategic planning and implementation of specific plans (plans, timeline, benchmarks, milestones, and deliverables) demonstrating how and when Contractor will achieve Health System Transformation, aligned with the quality and incentive specifications established in Exhibit B Part 9. An updated Transformation Plan and Transformation Amendment will be developed in 2015, using a schedule and accountabilities similar to Section 1.a, of this Exhibit. The updated Transformation Plans and Transformation Amendments are intended to continue the progress of transformation and integration.

- d. Exhibit K, is hereby amended to Attachment 1 which is attached to this Amendment as Appendix A and hereby incorporated into the Contract with this reference.
3. OHA's performance hereunder is conditioned upon Contractor's compliance with provisions of ORS 279B.220, 279B.225, 279B.230, 279B.235, and 279B.270, which are hereby incorporated by reference. Contractor shall, to the maximum extent economically feasible in the performance of this Contract, use recycled paper (as defined in ORS 279A.010(1)(gg)), recycled PETE products (as defined in 279A.010(1)(hh)), and other recycled products (as "recycled product" is defined in 279A.010(1)(ii)).
4. Except as expressly amended above, all other terms and conditions of the initial Contract and any previous amendments are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the initial Contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

5. Signatures

IN WITNESS, THE PARTIES LISTED BELOW HAVE CAUSED THIS AMENDMENT TO BE EXECUTED BY THEIR DULY AUTHORIZED OFFICERS.

CONTRACTOR

By *Philip V. Lombard* *April 22, 2013*
Authorized Date

Title *CEO*

OHA
By *Greg McWhorter* *04/23/2013*
OHA Date

Approved as to Legal Sufficiency:

Approved by Theodore C. Falk, Senior Assistant Attorney General, April 9, 2013, email in Contract file.

Reviewed by Office of Contracts & Procurement:

By *Tammy L. Hurst* *4/25/13*
Tammy L. Hurst, Contract Specialist Date

Exhibit K - Attachment 1 - Transformation Deliverables and Benchmarks

A. Definitions for Exhibit K

For purposes of this Exhibit K, these terms have the following meanings:

- (1) **“Baseline”** means the Contractor’s status in effect on the Contract Effective Date, primarily in light of any policies, procedures, operational or contractual arrangements or Provider arrangements, including but not limited to materials submitted during RFA 3402 as well as information submitted to OHA during the readiness review process.
- (2) **“Benchmark”** means an objectively identifiable and measurable standard that the Contractor will report on to measure its progress in executing its Transformation Plan and that is the Contractor’s target for the transformation area to be achieved by July 1, 2015.
- (3) **“Milestone”** means an identified incremental outcome that is both a short-term target and a logical step that moves the Contractor toward achieving its Benchmark. A Milestone may represent a stage or phase that is met on the way to achieving the Benchmark. A Milestone should be achievable on or before July 1, 2014.

B. Transformation Plan Deliverables

Contractor shall provide the following deliverables for every transformation area on the schedule described below. Contractor shall combine the reports for all transformation areas and Benchmarks into a single report.

Deliverable	Deliverable Date
(1) Initial progress report	January 1, 2014
(2) Milestone report	July 1, 2014
(3) Second progress report	January 1, 2015
(4) Benchmark report	July 1, 2015

Progress, Milestone and Benchmark reports must address each transformation area, including actions taken or being taken to achieve the Milestone and Benchmark, outcome of these activities, and process improvements. Contractor shall also describe how its Community Advisory Council (CAC) was involved in the process and informed of the outcomes in each transformation area.

Progress and Milestone reports must also identify any areas where the Contractor has encountered barriers to achieving a Milestone or Benchmark, and describe its efforts to work with OHA through the Innovator Agent and Learning Collaborative to develop alternative strategies to reach the Benchmark.

C. Benchmarks for 2013 – 2015 Transformation Plan Amendment

This section addresses eight transformation areas, corresponding to the eight areas required to be included in Contractor’s Transformation Plan. Within each of the eight areas of transformation, this section establishes one or more Benchmarks. Progress will be measured from a Baseline that begins with the Contract Effective Date. This section describes how Contractor will measure progress toward achieving each Benchmark, including one or more Milestones. A Benchmark and at least one Milestone required for each transformation area. Contractor will report on progress, Milestones and Benchmarks using the schedule described in Section B.

- (1) **Area of Transformation:** Developing and implementing a health care delivery model that integrates mental health and physical health care and addictions and dental health, when dental services are included. This area of transformation must specifically address the needs of individuals with severe and persistent mental illness.

Benchmark 1	INTEGRATING PHYSICAL AND BEHAVIORAL HEALTH CARE: Optimal Diabetes Care Among Adults with Persistent and Chronic Mental Illness
How Benchmark will be measured (Baseline to July 1, 2015)	Contractor will participate in the statewide Performance Improvement Project (PIP), proposed to measure: Numerator: Members, aged 18-75, who are concurrently diagnosed with severe and persistent mental illness and diabetes who met all three National Committee for Quality Assurance (NCQA) Comprehensive Diabetes Care and as aligned with NQF measure #1934 focuses on measures testing rates for both HbA1c and LDL-C. Denominator: Members, aged 18-75, who are concurrently diagnosed with severe and persistent mental illness and diabetes who have at least two visits for this diagnosis in the last two years with one visit in the last 12 months.
Milestone(s) to be achieved as of July 1, 2014	5% Improvement over Baseline. Baseline and method of calculation to be determined and mutually agreed upon between Contractor and OHA.
Benchmark to be achieved as of July 1, 2015	10% Improvement over Baseline with minimum score of 20%. Baseline and method of calculation to be determined and mutually agreed upon between Contractor and OHA.

- (2) **Area of Transformation:** Continuing implementation and development of Patient-Centered Primary Care Home (PCPCH).

Benchmark 2	Patient-Centered Primary-Care Home (PCPCH)
How Benchmark will be measured (Baseline to July 1, 2015)	Numerator: The number of PCPCH-enrolled Members by tier (weighted as follows: Tier 1 x 1; Tier 2 x 2; Tier 3 x 3) Denominator: All PCPCH-enrolled Members, weighted x 3
Milestone to be achieved as of July 1, 2014	10% Improvement over Baseline
Benchmark to be achieved as of July 1, 2015	100% of Members enrolled with a PCPCHs by 12-31-2014

- (3) **Area of Transformation:** Implementing consistent Alternative Payment Methodologies that align payment with health outcomes.

Benchmark 3	Alternative Payment Methodologies
How Benchmark will be measured (Baseline to July 1, 2015)	Numerator: Total Cost Per Member Per Month (PMPM) for Period 01-01-2015 to 06-30-2015 Denominator: Total cost PMPM for Period 01-01-2013 to 06-30-2013
Milestone to be achieved as of July 1, 2014	Develop and introduce Primary Care Provider (PCP) Dashboards for selected indicators (e.g., patient retention), as the first step in a sequence of events that will ultimately link Alternative Payment Methodologies with quality outcomes
Benchmark to be achieved as of July 1, 2015	There will be a 2% reduction in total cost PMPM in the first one-half of contract year 2015, when compared the first one-half of 2013. At the same time, there will be no decrease in quality assurance measures, between baseline and 06-15-2015, as measured by OHA-established incentive metrics.

- (4) **Area of Transformation:** Preparing a strategy for developing Contractor’s Community Health Assessment and adopting an annual Community Health Improvement Plan consistent with SB 1580 (2012), Section 13.

Benchmark 4	Community Health Assessment and Community Health Improvement Plan
How Benchmark will be measured (Baseline to July 1, 2015)	Hard copies of documents adopted by Contractor board of directors will serve as the method of measurement.
Milestone to be achieved as of July 1, 2014	The Community Health Assessment (CHA) will be completed by 03-31-2013. The Community Health Improvement Plan (CHIP) will be completed by 08-31-2013
Benchmark to be achieved as of July 1, 2015	The CHA will be updated by 03-31-2015. The CHIP will be completed by 07-01-2015

- (5) **Area of Transformation:** Developing a plan for encouraging electronic health records; health information exchange; and meaningful use.

Benchmark 5	Electronic Health Record Composite
How Benchmark will be measured (Baseline to July 1, 2015)	Numerator: Per Centers for Medicaid and Medicare Services (CMS) composite formula by increasing the proportion of providers adopting and using EHRs. Denominator: Per CMS composite formula based on increasing the proportion of providers adopting and using EHRs.
Milestone to be achieved as of July 1, 2014	10% Improvement over Baseline. Baseline and method of calculation to be determined and mutually agreed upon between Contractor and OHA.
Benchmark to be achieved as of July 1, 2015	20% Improvement over Baseline. Baseline and method of calculation to be determined and mutually agreed upon between Contractor and OHA.

- (6) **Area of Transformation:** Assuring communications, Outreach, Member engagement, and services are tailored to cultural, health literacy, and linguistic needs.

Benchmark 6	Consumer Assessment of Health Providers & Systems (CAHPS) Composite: Health Plan Information and Customer Service
How Benchmark will be measured (Baseline to July 1, 2015)	Numerator: Responses of <i>Always</i> or <i>Usually</i> per queried variable derived from Member survey Denominator: Number of all Member respondents to queried variable Data will be compared across Member groups to ensure no specific disparities by race, ethnicity, or disability status
Milestone to be achieved as of July 1, 2014	If disparities among groups are identified at baseline, the disparity will be decreased by half (e.g. If 90% of all Member respondents respond that they are always or usually available to get the information that they need, but only 70% of a specific group respond this way, the gap of 20% will be decreased to a gap of only 10% by 2014.)
Benchmark to be achieved as of July 1, 2015	Minimum Score of 85% with no statistically significant differences among groups by race, ethnicity, or disability status.

- (7) **Area of Transformation:** Assuring that the culturally diverse needs of Members are met (Cultural Competence training, provider composition reflects Member diversity, non-traditional health care workers composition reflects Member diversity).

Benchmark 7	CAHPS Composite: Getting Care Quickly
How Benchmark will be measured (Baseline to July 1, 2015)	Numerator: Number of <i>Always</i> or <i>Usually</i> responses, per queried variable Denominator: Universe of Member respondents, per queried variable
Milestone to be achieved as of July 1, 2014	If disparities among groups are identified at baseline, the disparity will be decreased by half (e.g. If 90% of all Member respondents respond that they are always or usually available to get care as soon as they thought they needed, but only 70% of a specific group respond this way, the gap of 20% will be decreased to a gap of only 10% by 2014.)
Benchmark to be achieved as of July 1, 2015	10% Improvement over Baseline with minimum score of 85%. The 10% improvement over Baseline will be achieved after the disparities groups are identified at Baseline. Thus the gap of 20% will be decreased to a gap of only 10% by 2014 and achievement will be reached with a minimum score of 85%.

- (8) **Area of Transformation:** Developing a Quality Improvement plan focused on eliminating racial, ethnic and linguistic disparities in access, quality of care, experience of care, and outcomes.

Benchmark 8.1	Developmental Screening by Age 36 Months
How Benchmark will be measured (Baseline to July 1, 2015)	Numerator: Member children in denominator who had a claim with CPT Code 96110 by their birthday in the measurement year Denominator: The Members who turn 1, 2, or 3 years of age in the measurement year and who were covered by Medicaid/CHIP continuously for 12 months between last birth date, regardless if they had a medical/clinical visit or not in the measurement year. Comparison of screening rates will be made between Member children residing in rural vs. Coos Bay/North Bend zip codes, with the goal of eliminating disparities for rural residents.
Milestone to be achieved as of July 1, 2014	5% Improvement over Baseline, with any difference/gap in percentage screened decreased by half. Baseline and method of calculation to be determined and mutually agreed upon between Contractor and OHA.
Benchmark to be achieved as of July 1, 2015	10% Improvement over Baseline with minimum score of 50%, with no statistically significant difference in screening rates for rural zip codes. Baseline and method of calculation to be determined and mutually agreed upon between Contractor and OHA.
Benchmark 8.2	Colorectal Cancer Screening
How Benchmark will be measured (Baseline to July 1, 2015)	Numerator: Members who had an appropriate screening if a submitted Encounter Claim contains appropriate CPT code Denominator: All eligible Members meeting enrollment criteria and age 50-75 during measurement year
Milestone to be achieved as of July 1, 2014	5% Improvement over Baseline, with any gap/difference in percentage screened decreased by half. Baseline and method of calculation to be determined and mutually agreed upon between Contractor and OHA.
Benchmark to be achieved as of July 1, 2015	10% Improvement over Baseline with minimum score of 61.34%, with no statistically significant difference in screening rates for rural zip codes. Baseline and method of calculation to be determined and mutually agreed upon between Contractor and OHA.